

**ISLAMIC COMPLIANCE QUALITY  
MANAGEMENT SYSTEM (ICQMS): AN  
ANALYSIS FROM ISLAMIC EPISTEMOLOGY,  
*TAŞAWWUR* AND ONTOLOGY PERSPECTIVES**

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**UNIVERSITI SAINS MALAYSIA**

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**ISLAMIC COMPLIANCE QUALITY MANAGEMENT SYSTEM  
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**by**

**KHATIJA BINTI OTHMAN**

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Appendix B: MS ISO 9001:2008 Quality Management Systems – Requirements (first revision). Copyright 2009.  
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## LISTS OF ABBREVIATIONS

ASQ	American Society for Quality
AQAPs	Allied Quality Assurance Publications
BPR	Business Process Reengineering
CERCO	Comité Européen des Responsables de la Cartographie Officielle Working group on quality
IE	Islamic Epistemology
ICQMS	Islamic Compliance Quality Management System
IFIs	Islamic Financial Institutions
IIM	Institut Integriti Malaysia
IKIM	Institut Kefahaman Islam Malaysia
INTAN	Institut Tadbiran Awam Negara
ISC I	Industry Standards Committee on <i>Halāl</i> Standards
ISI 2020	Universal Integrated System
ISO	International Organization for Standardization
ISO MS	Malaysian Standard
ISO/TS	ISO Technical Specification
ISO 9001	Quality Management System of International Standard
IO	Islamic Ontology
IT	Islamic <i>Taṣawwur</i>
JAKIM	Jabatan Kemajuan Agama Islam Malaysia
MBNQA	Malcolm Baldrige National Quality Award
MIL-STD	Military Standards
MOSTI	Ministry of Science, Technology and Innovation of Malaysia
MS 1900	Malaysian Standard Quality Management Systems Requirements from Islamic Perspectives
NATO	North Atlantic Treaty Organization

PDCA	Plan-Do-Check-Act
PPIM	Persatuan Pengguna Islam Malaysia
QCC	Quality Control Circles
QMS	Quality Management System
SAC	<i>Shari'ah</i> Advisory Council
SIRIM	Standards & Industrial Research Institute of Malaysia
SIRIM QAS	Standards & Industrial Research Institute of Malaysia; Quality Assurance System
SM	Standards Malaysia
TQM	Total Quality Management
UIAM	Universiti Islam Antarabangsa Malaysia
UKAS	United Kingdom Accreditation Service
UKDTI	UK Department of Trade and Industry

## TRANSLITERATION OF ARABIC LETTERS

### Consonants

Roman Letters	Arabic Letters	Roman Letters	Arabic Letters
ṭ	ط	a	ا
ẓ	ظ	b	ب
‘	ع	t	ت
gh	غ	th	ث
f	ف	j	ج
q	ق	ḥ	ح
k	ك	kh	خ
l	ل	d	د
m	م	dh	ذ
n	ن	r	ر
w	و	z	ز
h	هـ	s	س
’	ء	sh	ش
y	ي	ṣ	ص
ṭ	ة	ḍ	ض

### Vowels

Short		Long		Diphthongs		Double (Shaddah)	
a	اَ	ā	آ	ay	أَيَّ	ي	iiyy (final form ī)
i	اِ	ī	إِيَّ	aw	أَوْ		uww (final form ū)
u	اُ	ū	أُوَّ			وُ	

Source: Transliteration of Arabic Letters referred from M. Kamal Hassan. (2011). *Voice of Islamic moderation from the Malay world*. Emerging Markets Innovative Research (EMIR). In consistent with *Pedoman Transliterasi Huruf Arab Ke Rumi*. (1992). Kuala Lumpur: Dewan Bahasa dan Pustaka (DBP).

## GLOSSARY OF ARABIC WORDS

No	ARABIC WORDS	MEANING IN ENGLISH
<b>A</b>		
1	<i>Allāh SWT</i>	God for the entire universe
2	<i>‘adālat</i>	justice
3	<i>‘amal</i>	charity
4	<i>‘amal ahl al-Madīnat</i>	the practice of the people of <i>Madīnah</i>
5	<i>‘amal ṣāliḥ, al-ṣāliḥāt</i>	the virtues of good acts
6	<i>‘aqīdat</i>	belief
7	<i>‘aqliyy</i>	rational
8	<i>‘araḍiyy</i>	extrinsic
9	<i>‘ayn al-yaqīn</i>	sensory perception
10	<i>aqīm al-Dīn</i>	to establish the religion
11	<i>aḥkām</i>	injunctions
12	<i>aḥkām shārī‘</i>	divine rules
13	<i>ajma ‘a fulān ‘alā al-qadhā’</i>	to agree upon such and such
14	<i>ākhirat</i>	the Hereafter world
14	<i>akhlāq</i>	ethics
16	<i>al- ‘Adl</i>	The Just
17	<i>al- ‘Ālamiyyat</i>	universal
18	<i>al- ‘Alīm</i>	The Knower of All
19	<i>al- ‘Aliyy</i>	The Highest
20	<i>al- ‘aql</i>	intellect
21	<i>al- ‘aqlāniyyat</i>	rational mind
22	<i>al- ‘adillat al-ijtihādīyyāt</i>	views obtained by the determination in thought
23	<i>al- ‘adillat al-qat ‘iyyat</i>	evidence of undisputed truth
24	<i>alam nāsūt</i>	physical world
25	<i>al- ‘amr</i>	command
26	<i>al-yaqīn</i>	certainty
27	<i>amānat</i>	trust
28	<i>ammārat</i>	constantly urging
29	<i>arkān al-dīn</i>	the pillars of religion in <i>Islām</i>

30	<i>arkān al-Īmān</i>	conviction of the human consciousness
31	<i>arkān al-Islām</i>	actions of the human consciousness
32	<i>ashraf al-makhlūqāt</i>	most noble of all creation
33	<i>aṣl</i>	the original case

## B

36	<i>badāhaṭ</i>	reasoning with self-evident truth or common sense
37	<i>bashīr</i>	promising message

## D

38	<i>ḍarūriy</i>	knowledge of intellectual reasoning
39	<i>ḍarūriyyāt</i>	essentials
40	<i>dhātiy</i>	intrinsic
41	<i>Dīn</i>	religion
42	<i>dunyā</i>	this world

## F

43	<i>falāḥ</i>	success
44	<i>far‘</i>	new case
45	<i>farā’iḍ</i>	inheritance
46	<i>farḍ ‘ayn</i>	individual obligation
47	<i>farḍ kifāyat</i>	collective obligation
48	<i>fatwā</i>	decree on Islamic matters
49	<i>fī sabīl Allāh</i>	for the sake of <i>Allāh SWT</i>
50	<i>fī ‘l al-Rasūl</i>	the actions of the Prophet
51	<i>fī ‘liy</i>	act
52	<i>fiqh</i>	Islamic jurisdiction
53	<i>fuqahā’</i>	jurists

## G

54	<i>gharār</i>	ambiguities
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## H

55	<i>al-ḥaqq</i>	The truth
56	<i>ḥablun-min-al- nās</i>	the relationship between man and man
57	<i>ḥablun-min-Allāh</i>	the relationship between man and <i>Allāh SWT</i>
58	<i>Ḥadīth</i>	Prophet Muḥammad SAW traditions
59	<i>ḥājiyyāt</i>	necessities
60	<i>ḥajj</i>	the pilgrimage to Mecca
61	<i>ḥalāl and ḥarām</i>	lawful and unlawful (rightness or otherwise)
62	<i>ḥaqīqat</i>	truth
63	<i>ḥaqq al-yaqīn</i>	essential resources in <i>Islām</i>
64	<i>ḥasanat</i>	goodness
65	<i>hudan</i>	direction
66	<i>ḥukm</i>	rule
67	<i>ḥuqūq al- ‘ibād</i>	the rights of people
68	<i>ḥuqūq Allāh SWT</i>	the rights of <i>Allāh SWT</i>

## I

69	<i>‘ibādat / ‘ibādāt</i>	to serve (worship) God, <i>Allāh SWT</i>
70	<i>‘illa</i>	the same efficacious cause
71	<i>‘ilm</i>	knowledge
72	<i>‘ilm al-yaqīn</i>	observation by the mind
73	<i>‘izzat</i>	honor
74	<i>al-ijābiyyat</i>	positive bilateral relations
75	<i>al-ijtimā ‘iyyat</i>	Islamic civilization
76	<i>al-insāniyyat</i>	humanistic
77	<i>idārat al-jawdat</i>	quality management
78	<i>iḥsān</i>	moral perfection of human consciousness
79	<i>iḥtikār</i>	creating a shortage of supply
80	<i>Ijmā ‘</i>	consensus
81	<i>Ijtihādīy/ijtihād</i>	Exercise of independent reasoning within the Islamic parameters or the

		making of a ruling in Islamic law by personal or group effort, as opposed to <i>taqlīd</i> (imitation).
82	<i>īmān</i>	Faith/ conviction of the human consciousness
83	<i>infāq</i>	spending for the needy
84	<i>insān</i>	human
85	<i>insān kāmil</i>	human with perfect faith
86	<i>irtikāb akhaff al-ḍarārayn</i>	choosing the lesser of two evils
87	<i>iṣlāḥ</i>	restoring good relationships among people
88	<i>Islām</i>	actions of the human consciousness
89	<i>isrāf</i>	waste due to wanton consumption
90	<i>istiḥsān</i>	juristic preference
91	<i>istiḳāmaṭ</i>	integrity, rectitude
92	<i>istiṣḥāb</i>	presumptions of continuity
93	<i>itqān</i>	struggle

## J

94	<i>Jannaṭ</i>	Paradise
95	<i>jasad</i>	physical
96	<i>jawdaṭ</i>	quality
97	<i>jawhariy</i>	intrinsic
98	<i>Jibrīl</i>	Name of the angel
99	<i>jināyāt</i>	criminology

## K

100	<i>al-Khāliq</i>	The Creator
101	<i>al-khayr</i>	the goodness
102	<i>kāmilaṭ</i>	perfect
103	<i>khalīfaṭ</i>	vicegerent
104	<i>khilāfaṭ</i>	Rule of vicegerent



## L

105	<i>lā ḍarara wa lā ḍirār</i>	no harm shall be inflicted nor reciprocated
106	<i>lāhūt</i>	spiritual
107	<i>lawwāmat</i>	ensorious

## M

108	<i>al-māl</i>	wealth
109	<i>al-malakūt</i>	worlds of dominion
110	<i>al-Mālik</i>	The absolute ruler
111	<i>al-Maṣāliḥ al-Mursalaṭ</i>	consideration of public interest
112	<i>al-Muṭṭiy</i>	the learned jurists
113	<i>ma‘rūf</i>	permissible by Shari‘ah
114	<i>madhmūmat</i>	bad behavior
115	<i>mafsadat</i>	harm
116	<i>māhiyat</i>	its whatness
117	<i>mahmūdāt</i>	praiseworthy
118	<i>maysir</i>	gambling
119	<i>mandūb</i>	lamentable
120	<i>Maqāṣid al-kubrā</i>	the biggest objective
121	<i>Maqāṣid al-Shari‘ah</i>	objectives of the Islamic law
122	<i>Marḍāt Allāh</i>	seeking the pleasure of Allāh SWT
123	<i>marḍiyyat</i>	gratifying
124	<i>maṣlahat</i>	wellbeing
125	<i>Maṣlahat ‘Āmmat</i>	public wellbeing
126	<i>maw‘idhat</i>	advice
127	<i>mu‘āmalāt</i>	treating of transactions
128	<i>Muḥammad SAW</i>	Messenger of Allāh SWT
129	<i>mujtahid</i>	a scholar who determine the Islamic law
130	<i>mulāḥazat</i>	empirical and positivist
131	<i>mulhamat</i>	the inspired soul
132	<i>munākahāt</i>	marriages

133	<i>munkar</i>	unlawful in <i>Shari‘ah</i>
134	<i>muqawwimāt</i>	intrinsic aspects
135	<i>murā‘āt sunnat al-tadāruj</i>	observing the norm of gradualism
136	<i>muṣallā</i>	the place for <i>ṣalāt</i>
137	<i>mustaḥab</i>	recommended

## N

138	<i>al-nafs</i>	soul or self
139	<i>al-nafs al-muṭma‘inna</i>	the highest levels of the tranquil soul
140	<i>al-Nār</i>	hellfire
141	<i>al-nasl</i>	progeny
142	<i>nadhīr</i>	serious warning
143	<i>nafs-ammārat</i>	the lowest level of the agitated soul
144	<i>naqliy</i>	revealed
145	<i>naqlīyyat</i>	narrative (Islamic evidence from <i>al-Qur‘ān</i> and <i>Sunnah</i> )
146	<i>naṣ</i>	evidence
147	<i>naẓariy</i>	knowledge of <i>al-Qur‘ān</i> , <i>Sunnah</i> , <i>Ijmā‘</i> and <i>Qiyās</i>
148	<i>niṣāb</i>	minimum amount of property liable to pay <i>zakāt</i>
149	<i>nizām idārah al-jawdat</i>	quality management system
150	<i>nūr al-mubīn</i>	guiding light

## Q

151	<i>al-Qur‘ān</i>	Divine revelation from <i>Allāh SWT</i>
152	<i>qadar</i>	fate
153	<i>qalb</i>	heart
154	<i>qanā‘ah</i>	feel sufficient and grateful for what God has given
155	<i>qaṭ‘iy</i>	clear and apparent
156	<i>qawl al-Rasūl</i>	the words of the Prophet
157	<i>qawli</i>	speech

158	<i>Qiyās</i>	analogical deduction
159	<i>Qur'ānic</i>	the content in the <i>Qur'ān</i>

## R

160	<i>Al-Rabbaniyyat/Rabbaniy</i>	Divinity
161	<i>Rabb</i>	<i>Allāh</i> SWT, God the Creator
162	<i>rāḍiyat</i>	pleasant
163	<i>rahmat</i>	blessing
164	<i>Ramaḍān</i>	the holy month of Islam
165	<i>ri'āyat al-ḍarūrāt</i>	take care of necessities
166	<i>ribā'</i>	usury
167	<i>rūh</i>	spirit

## S

168	<i>al-sakīnah</i>	the divine peace
169	<i>al-Syumuliyyat</i>	comprehensiveness
170	<i>sa'ādat</i>	happiness
171	<i>ṣabr</i>	patient and perseverance
172	<i>sad al-dharā'i'</i>	blocking the means
173	<i>ṣaḥābah</i>	companions of the Prophet <i>Muḥammad</i> SAW
174	<i>ṣalāt</i>	prayers
175	<i>salīm</i>	valid
176	<i>ṣawm/ṣiyām</i>	fasting
177	<i>Shahādat</i>	the act of witnessing that there is no god but <i>Allāh</i> and that <i>Muḥammad</i> is His Prophet
178	<i>Sharī'ah</i>	the Islamic law
179	<i>shubḥat</i>	doubt

180	<i>Sunnah</i>	the example of Prophet <i>Muḥammad</i> SAW practice
181	<i>Sūrah</i>	chapter in the <i>Qur'ān</i>
182	<i>syifā'</i>	medicine

## T

183	<i>al-tawāzun</i>	balanced
184	<i>al-thabāt wa al-murūnat</i> ( <i>al-taghayyur</i> )	fixed and unyielding
185	<i>ṭā'ah</i>	obedience to God
186	<i>ta'rīf bi-al-ḥadd</i>	a precise definition
187	<i>ta'rīf bi-al-rasm</i>	a connotative definition
188	<i>tabzīr</i>	wasting consumption
189	<i>tahfīz</i>	memorization
190	<i>taḥsīniyyāt</i>	desirables
191	<i>tajrībāt</i>	reasoning with human experience
192	<i>takāful</i>	mutual responsibility
193	<i>tamthīl</i>	mental representation
194	<i>taqarrub</i>	approaching closely
195	<i>taqdīr</i>	destiny
196	<i>taqrīrāt al-Rasūl</i>	preaching and speeches of the Prophet
197	<i>taqrīriy</i>	recognition
198	<i>taqwā</i>	fear Allah SWT
199	<i>taṣawwuf</i>	knowledge dealing with man's spiritual relationship with God or Sufism in English
200	<i>taṣawwur</i>	worldview

201	<i>Tawḥīd</i>	unity of God
202	<i>Tawḥīd al-Rubūbiyyat</i>	belief in the Oneness of the Lordship of <i>Allāh SWT</i>
203	<i>Tawḥīd al-Ulūhiyyat</i>	belief in the Oneness of the worship of <i>Allāh SWT</i>
204	<i>ṭayyibāt</i>	good and clean from Islamic perspective

## U

205	<i>‘urf</i>	customs
206	<i>ukhuwwat</i>	brotherhood
207	<i>ummat</i>	the universal Muslim community or nation ordained by <i>Allāh SWT</i> , the most Gracious to be an example of moral excellence
208	<i>ummatic</i>	overall Muslim community
209	<i>uṣūl al-Dīn</i>	permanent premise of religion
210	<i>uṣūl al-fiqh</i>	permanent premise of Islamic jurisdiction

## W

211	<i>al-waḥy al-matluw</i>	recited revelations
212	<i>al-waḥy ghayr al-matluw</i>	not cited revelations
213	<i>al-wāqi ‘iyyat/ wāqi ‘ah</i>	realistic
214	<i>al-wasatiyyat</i>	moderation
215	<i>Al-wuḍuḥ</i>	clear
216	<i>waḥy</i>	Divine revelation from God
217	<i>waqf</i>	religious endowment
218	<i>wara‘</i>	piousness

## **Z**

- |     |              |                          |
|-----|--------------|--------------------------|
| 219 | <i>zakāt</i> | Islamic form of taxation |
| 220 | <i>zuhūd</i> | asceticism               |

**PEMATUHAN SISTEM PENGURUSAN KUALITI *ISLĀM* (PSPKI):  
ANALISIS DARI PERSPEKTIF EPISTEMOLOGI, *TAŞAWWUR* DAN  
ONTOLOGI *ISLĀM***

**ABSTRAK**

Kajian ini merupakan satu percubaan untuk meneroka landasan baru dan perspektif aplikasi PSPKI yang meyakinkan berdasarkan epistemologi, *taşawwur*, dan ontologi *Islām*. Oleh itu, ianya memperkenalkan titik tolak yang bermakna dalam memupuk falsafah pemikiran dan perbincangan mengenai struktur PSPKI, rangka kerja, model dan pelaksanaannya. Objektif ini tercapai setelah menilai tiga elemen epistemologi, *taşawwur* dan ontologi sebagai satu keperluan utama untuk membina asas yang kukuh dalam pemahaman falsafah pelaksanaan PSPKI yang benar-benar berasaskan *Syari'ah*. Ianya mengambil garis panduan *Syari'ah* dan *Maqāsid al-Syari'ah* sebagai teras dalam membina pembangunan yang beracuan *Islām*, serta sumber-sumber asasnya; *al-Qur'ān*, *Sunnah*, *Ijmā'* and *Qiyās* sebagai sumber utamanya. Satu penilaian mendalam berkenaan asas-asas teoritikal kepada sistem pematuhan kualiti (SPK) daripada aspek pematuhan *Syari'ah* dan aplikasi konvensional telah juga dijalankan untuk menilai dan membezakan bentuk aplikasi kedua-duanya. Kekaburan yang terdapat dalam pemakaian PSPKI MS 1900 telahpun dipaparkan bagi tujuan penambahbaikan. Sementara itu, unsur-unsur penting dalam PSPKI MS 1900 dari sudut kefahaman falsafah epistemologi, *taşawwur* dan ontologi *Islām* menghasilkan struktur yang menyeluruh, rangka kerja, model, dan pelaksanaan yang berorientasikan semua ciri-ciri penting berbanding sistem aplikasi yang sedia ada

dalam PSPKI MS 1900. Penemuan utama kajian ini adalah menjurus kepada pembentukan batu asas kepada falsafah PSPKI dan mengenalpasti kedudukannya dalam pembangunan berteraskan *Islām*. Selain daripada itu, kajian ini juga menggariskan rangka kerja *Syari'ah* yang berasaskan epistemologi, *taṣawwur*, dan ontologi *Islām* untuk memperoleh kualiti dalam pengaplikasian dan pemakaian PSPKI. Oleh yang demikian pelaksanaannya perlu memberi fokus kepada tujuh prinsip operasi yang berteraskan pematuhan *Syari'ah*: Pemakaian PSPKI, *Maṣlahat 'Āmmat*, ekonomi dan pengurusan *Islām*, pengeluaran dan operasi organisasi *Islām*, gelagat kepenggunaan dalam *Islām*, konsep kepuasan pelanggan dalam *Islām* dan konsep pemaksimaan keuntungan dalam *Islām*, bagi mencapai landasan *Maqāṣid al-Syari'ah* yang bertunjangkan *Tauhīd* diseluruh jaringan sistem.



**ISLAMIC COMPLIANCE QUALITY MANAGEMENT SYSTEM (ICQMS):  
AN ANALYSIS FROM ISLAMIC EPISTEMOLOGY, *TAŞAWWUR* AND  
ONTOLOGY PERSPECTIVES**

**ABSTRACT**

This study attempts to explore new ground and reliable perspectives of ICQMS application on the basis of Islamic epistemology, *taşawwur* and ontology understanding. Thus, it offer meaningful standpoints and solicits philosophical thoughts and discussions on the ICQMS structure, framework, model and implementation. The objective is achieved after the examination of three basic elements of epistemology, *taşawwur* and ontology, as a necessary step for building a solid foundation in philosophical understanding of truly ICQMS *Shari'ah*-based application. Taking the *Shari'ah* guideline and *Maqāṣid al-Shari'ah* as its core construct within the Islamic-based development mold, the supreme Islamic resources of *al-Qur'ān*, *Sunnah*, *Ijmā'* and *Qiyās* are considered as the premier sources throughout this study. In-depth examinations of QMS theoretical foundation on both Islamic compliance and conventional application have been reviewed to evaluate and comprehend the differences between both applications. The loophole of ICQMS MS 1900 is highlighted for the betterment and future improvement. Whilst essential elements of ICQMS from Islamic philosophical understanding, its epistemology, *taşawwur* and ontology establishes a comprehensive structure, framework, model and implementation that integrates all pertinent features in comparison to the existing application of MS 1900. The most crucial finding of this study is the establishment of

a philosophical root for the ICQMS and discover its position within the Islamic-based development mold, whereas other findings underlined the actual *Shari'ah* framework within Islamic epistemology, *taṣawwur* and ontology to achieve qualities of ICQMS applications and practices. Hence, ICQMS implementation should focus on seven operational principles of *Shari'ah* compliance that are:- ICQMS application, *Maṣlahat 'Āmmaṭ*, Islamic economy and management, production and operational of Islamic organization, Islamic consumption behavior, Islamic concept of customer satisfaction, Islamic concept of profit maximization; in order to achieve *Maqāṣid al-Shari'ah*, with the root of *Tawhīd* planted at the heart of the whole system.

## CHAPTER 1

### INTRODUCTION

#### 1.1 INTRODUCTION

The Islamic Compliance Quality Management System (ICQMS) is the subject of this study and the standard documentation of ISO MS 1900 in comparison to ISO 9001 is examined on its overall content and application specifically from its structure, framework, model and implementation. In getting actual substantiated foundation of ICQMS and its application, this study emphasized on the philosophical understanding of ICQMS on the basis of Islamic epistemology (IE), Islamic *taṣawwūr* (IT), and Islamic ontology (IO). Simultaneously, the analysis on ICQMS has been done based on the grounded comprehension of *Sharī'ah* compliance on the basis of *Sharī'ah* guideline and *Maqāṣid al-Sharī'ah* principles as well as Islamic-based development mold. Obviously, the understanding of the philosophical root of ICQMS, the *Sharī'ah* compliance, and Islamic-based development mold; instigated from three fundamental components of Islamic epistemology, *taṣawwūr*, and ontology.

Hence the Islamic epistemology (IE), Islamic *taṣawwūr* (IT), and Islamic ontology (IO), are used to represent the title and the integrated wholeness of this study. Islamic epistemology is an ultimate true knowledge that emanated from the Divine source of knowledge that is *al-Qur'ān* (Naail Mohammed Kamil, 2011). It is '*the true revelation*' from *Allāh SWT* that has no doubt against anything that can be seen or unseen. *Allāh SWT* declared in *Sūrah al-Ḥajj* (22:6);

*“This is so, because Allah is the Truth: it is He Who gives life to the dead, and it is He Who has power over all things”.*

Islamic epistemology discusses in detail the processes that lead to the development of knowledge. The domain of Islamic source of knowledge hinges on four key pillars of *‘aqlīdat*, *‘ibādat*, *akhlāq* and *Sharī‘ah* (Mohd Shukri Hanapi, 2013:37). The sources of Islamic epistemology advent from the *naqliy* sources of *al-Qur’ān* and *al-Ḥadīth* of the Prophet *Muḥammad SAW* and also the *‘aqliy* sources of *al-Ijmā‘* and *al-Qiyās* which is also known as insights obtained through intensification of thinking (Mohd Shukri Hanapi, 2013:37). This verified that there exist a subjectivist view of epistemology, whereby the consensus of the Muslim scholars (*al-Ijmā‘*) or the concept of deductive analogy (*al-Qiyās*) provide rulings on some issues that are not specifically mentioned in the *Qur’ān* or the *Ḥadīth* (Naail Mohammed Kamil, 2011).

Muhammad Syukri Salleh (2003:20-21) buttressed that the epistemology of Islamic knowledge much differs from the conventional epistemology since Islamic epistemology ingrained from the supreme Divine sources of *al-Qur’ān* and *al-Ḥadīth* from the Prophet *Muḥammad SAW*, also *Ijmā‘* and *Qiyās* of the Islamic scholars. Hence, the sources of knowledge from all four Islamic primary sources shaped an Islamic *taṣawwur* of such contrast from the conventional worldview (Muhammad Syukri Salleh, 2003:21). This statement explains that the Islamic *taṣawwur* was established and developed from the basic theory of the origin of Islamic sources of knowledge or the so-called Islamic epistemology (Syed Muhammad Naquib al-Attas, 1995:4).

From etymology perspective, the word *taṣawwūr* bring the meaning of response to something, the impression, or opinion on everything (Mohd Shukri Hanapi, 2013:3). English terminology for *taṣawwūr* is worldview or in German language is Weltanschauung (philosophy of life) or weltansicht (world view). Nevertheless, general terms of worldview confined to the notion of ideological, secular, animistic beliefs, or a set of theological doctrines in connection with mundane vision. These explanations lead to the meaning that the worldview used to describe and distinguish the essence of the religion, culture or creed of human being (Hamid Fahmi Zarkasyi, 2015). Instead, Islamic *taṣawwūr* brings the thought of comprehensiveness and essential about something (Mohd. Kamal Hassan, 1993). It comprises the true reality, and completeness (Haron Din, 1992:3) of something with the overall aim is to explain the basic principle of Islam correctly and completely that forms the basis of life opinion and ingrained in a person (Haron Din, 1992:3; Muhammad Syukri Salleh, 2013:21).

Ontology, in general, is regard to the branch of metaphysics that investigates the categories of being or what exists (Hathcoat & Habashi, 2013). Ontology under this view is aimed at identifying the underlying ‘structure of objects’ (Poli, 2010:4). In this concurrence, Fadzila Azni Ahmad (2010:122-125) accentuated that the study of ontology from the conventional perspective is focused on the physical aspect that can be seen and explained from rational thinking and connected with a quantitative measure only. It is much different from Islamic ontology that enfolds both the physical and spiritual aspects of the being that enclose within the *naqliy* and ‘*aqliy* knowledge. The ontology attributes of the reality of being originated from a clear understanding of the Islamic *taṣawwūr* and of the supreme sources of knowledge of

*al-Qur'ān* and *al-Ḥadīth*. Mohammed Rustom (2006) stressed that Islamic ontology refers to the 'being' or 'existence' in which all beings received its existence through the existence of God, *Allāh SWT*. In this regard, Naail Mohammed Kamil (2011) in the opinion that reality exists, but the only one possessed that knowledge is only *Allāh SWT* alone as mentioned in *Sūrah al-Baqarah* (2:282);

“.....*So be afraid of Allah; and Allah teaches you. And Allah is All-Knower of each and everything*”.

Hence, from the brief explanation of IE, IT and IO and considering the overall broad perspective and role function of Islamic *taṣawwur* to individual, society, organization, human livelihood, culture, civilization, religion, belief and all other aspects of human and existence; thus, the discussion and analysis in this study began with Islamic *taṣawwur*, followed by the Islamic epistemology and Islamic ontology next. This arrangement is perceived to be appropriate since Islamic *taṣawwur* philosophical understanding is the factor that shaped the individual thought, behavior, life and impacted the whole perspectives of individual being. It is coherent with what has been highlighted by Muhammad Syukri Salleh (2003:14) that Islamic *taṣawwur* as a mold to the Islamic-based development is the most important principle since from the Islamic *taṣawwur*, the birth of Islamic-based development and its mold has been derived.

Mohd Shukri Hanapi (2013:1) in agreement that the Islamic *taṣawwur* must first be understood in detail and in-depth, therefore the discussions related to Islamic philosophical understanding in this study started with IT, and then the IE and next the IO. Detail discussions on all these elements are located in chapter two on the literature reviews, chapter four on the conceptual understanding, chapter five on the

analysis of ICQMS in relation to IT, IE , IO, the Islamic-based development mold, *Shari'ah* guideline and *Maqāsid al-Shari'ah* application and chapter six on the conclusion.

In Malaysia, the implementation of ICQMS is known as MS 1900:2005 Quality Management Systems – Requirements from Islamic Perspectives<sup>1</sup>. Moreover, the first revision of the compliant is known as MS 1900:2014 *Shari'ah*-based quality management systems – Requirements with guidance (First revision). The first Islamic Malaysian Standard compliant has been developed based on International Organization of Standardization ISO 9001:2000 Quality Management System (QMS) of international standard and the latter is based on ISO 9001:2008 QMS. Nevertheless, *Shari'ah* requirements are being incorporated into the Islamic standards in ensuring that organizations are managed with the principles and practices of the quality management system from Islamic perspectives.

This introduction chapter discusses the research background, the historic evolution of Total Quality Management (TQM), QMS, ICQMS and how quality intertwined with standard ISO. The Malaysian application of QMS and ICQMS is highlighted. The essential purposes are indicated through the problems statement, research objectives, and research questions stated in later part of this chapter. The discussions in this chapter included the operational definition of the research, its scopes and limitations, significant of the research and the thesis organization as a whole to portray the overall work of this thesis.

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<sup>1</sup> ISO MS 1900:2005 and 1900:2014 were produced by Department of Standards Malaysia. The Department of Standards under the Ministry of Science, Technology and Innovation (MOSTI), appoints SIRIM Berhad as the agent to develop Malaysian Standards and also the agent for distribution and sale of Malaysian Standards.

## **1.2 RESEARCH BACKGROUND**

In this globalized business economy and technological expansion, most companies are looking at smart and quality management to help boost their production size and profit gain. Companies are very concern to achieve its objectives in increasing quality product as equally important as increasing customers' satisfaction. Since better customer satisfaction means the better market, better sales and better profit gain from a fierce competitive market that renders such package theory based on capitalist economy and conventional worldview. Subsequently, conventional management system initiated ISO 9000 QMS as a vital tool in meeting those goals.

In the initial place, the standard ISO 9000:2000 QMS is issued by ISO (International Organization for Standardization) based in Geneva Switzerland, in year 2000. The principles of the standard mainly stressed on three process-oriented goals which are; '*customer satisfaction*', '*continual improvement*' and '*utilization of proven good business practices*'. Those three goals head the objectives of reputable companies that implemented ISO 9000 QMS series (CERCO, 2000). This opinion is affirmed by Green (1997:1) where he stressed that in any application of the ISO 9000 quality system standard, the organization, and the customer are the prime focus of any deliberations.

### **1.2.1 Total Quality Management (TQM) and Quality Management System (QMS): Its Historic Origination and Evolution**

From the above discussions, a brief preview on the historic origination and evolution of '*Total Quality Management*' (TQM) and '*Quality Management System*' (QMS). In fact, QMS originally stems from the concept of TQM itself. Therefore, the connections between those two are very strong hence throughout this study the



linkages and interrelations of those concepts will be highlighted whenever appropriate.

### **1.2.1(a) Total Quality Management (TQM)**

TQM has been practiced for many years since its inception, and it has a very strong concepts and philosophy that provides confidence and prestigious to the companies worldwide. Martin (1993:24) affirmed that TQM is a philosophy of management that concerns with general beliefs, concepts, and attitude of an individual or groups. This indication meant that customers should determine what quality is, and customer satisfaction drives the organizational struggle and success. The idea of quality management that is often termed as TQM is based on four major contributors. They are: - Crosby (1980, 1985, 1988, 1992); Deming (1982, 1986, 1990), Feigenbaum (1983), and Juran (1988, 1989) (AbulHasan M. Sadeq, 1996:124).

Crosby's principles contained in his work '*Quality Is Free*' and '*Quality without Tears*' is conceptually sound and highly logical in conventional perspectives (Halim & Manogran, 1999:169). Crosby's approach to quality management is based on tools and techniques oriented through his philosophy of 14 points (Crosby, 1980:112-119)<sup>2</sup>. It is similar to the work of Juran and Deming whose focusses on the importance of planning, design, production and delivery and advocate the use of statistical techniques for quality control (UKDTIa, n.d). Like Crosby, Deming (1986:23-24) also sets his philosophy of quality management in 14 points

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<sup>2</sup> Crosby's 14 points tools that can be put into action by working managers are (Crosby, 1980:112-119):- (i) Management commitment; (ii) Quality improvements team; (iii) Measurement; (iv) Cost of quality; (v) Quality awareness; (vi) Corrective action; (vii) Zero defects planning; (viii) Employee education; (ix) Zero defects day; (x) Goal setting; (xi) Error cause removal; (xii) Recognition; (xiii) Quality councils; (xiv) Do it all over again.

approaches<sup>3</sup>. On the other hand, Juran's theory of quality management does not involve an organizational revolution rather it is similar to any general managerial framework with enhanced quality. The emphasized on four essential attributes<sup>4</sup> lies in between Deming's philosophical and Crosby's tools oriented approach is closer to the former rather than the latter (Martin, 1993:16).

TQM approach represents a central value of customer satisfaction where it assumes that achieving customer satisfaction implies optimal economic results (Julliard, 2004). Hence, TQM establishes quality enhancement as a dominant priority which claims that improving quality can decrease costs and facilitate attainment of other demands and objectives (Spencer, 1994). The goal of satisfying customers is fundamental to the total quality and is expressed by the organization's attempt to design and deliver products and services that fulfill customer's needs. The rationales for this principle are the beliefs that customer's satisfaction is the most important requirement for long-term organizational success. This satisfaction requires the entire organization be focused on customer's needs (Dean Jr. & Bowen, 1994). In a same notion, Fadzila Azni Ahmad (2010:182) hypothesizes that the whole concept of TQM leads to the same principles of systematic improvement, integration and consistency across all levels of the organization. It provides full emphasized on total customer satisfaction. On the other hand, management's role is to create constancy of

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<sup>3</sup> Deming 14 points philosophy of quality management are (Deming, 1986:23-24):- (i) Create consistency of purpose towards improvement of product and service; (ii) Awaken to the challenges of the new economic age and adopt a new philosophy; (iii) Cease dependency on inspection to achieve; (iv) Stop awarding business on the basis of price; (v) Constantly improve the system of production and service; (vi) Institute leadership; (vii) Drive out of fear; (viii) Break down barriers between departments; (ix) Eliminate slogans, exhortations; (x) Targets aimed at zero-defects and new levels of productivity; (xi) Eliminate quotas on the factory floors; (xii) Remove barriers that robe people of the right to pride of workmanship; (xiii) Institute a vigorous program of education and self-improvement; (xiv) Put everybody in the company to work on accomplishing the transformation.

<sup>4</sup> Juran's four basic attributes are (Martin, 1993:16):- (i) Quality planning; (ii) Quality control; (iii) Quality improvement; and (iv) Quality commitment.

purpose for improvement of product and service (Deming, 1982) and to create a system that can produce quality outcomes.

The first seeds of quality management were planted in the 1920s when the principles of scientific management were applied wholesale in U.S. industry (American Society for Quality, 1999:3). During those times, union opposition arose since Taylorism had deprived workers of their voices in work conditions and functions. At the same time from 1927 to 1932, Elton Mayo's Hawthorne Experiments showed the positive effect of worker participation and productivity. Later after, Walter Shewhart used probability mathematics to develop the concept of statistical analysis for quality control in industries. During 1950's, W. Edwards Deming together with Joseph M. Juran taught those methods to Japanese engineers and executives.

This scenario was the turning point of the concept of quality management and TQM break-through in Japan's quality revolution (American Society for Quality, 1999:3). This quality revolution also strongly associated with the work of Armand V. Feigenbaum's '*Total Quality Control*' which is considered as the antecedent to the present understanding of TQM. According to (American Society for Quality, 1999:4) Feigenbaum, total quality control is;

*"...an effective system for integrating quality development, quality maintenance, and quality improvement efforts of the various groups in an organization so as to enable marketing, engineering, production, and service at the most economical levels which allow for full customer satisfaction".*

In this association, Reeves and Bednar (1994) observed that Crosby, Deming, Feigenbaum, and Juran stressed on a conformance to specifications such that customers must be the driving force to the specifications that are established.

As for the Japanese '*quality revolution*', quality was recognized as a national issue and was treated as an important element for rebuilding the nation (Willborn & Cheng, 1994:43). Juran (1989:7-9) elaborated that following World War II, the Japanese undertook to learn how other countries managed their quality issues. The Japanese approach to the quality revolution that started during 1950's was heavily influenced by Deming, Juran, and Feigenbaum. Hence, the Japanese quality revolution was promoted (American Society for Quality, 1999:4) under several names; integrated quality control, total quality control.

In 1968, the Japanese agreed to call their approach as '*Total Quality Control/company-wide quality control*' in which Kaoru Ishikawa's synthesis of a company-wide quality control philosophy contributed to Japan's ascendancy as the quality leader of the world. From those historical factsheet of TQM mentioned, no doubt TQM has been widely spread globally as a company-wide approach to managing quality. Few well-known standards originate from the philosophy of TQM (American Society for Quality, 1999:4) as such ISO 9000 series. Others are such, the criteria for the Malcolm Baldrige National Quality Award (MBNQA), Deming Prize, and other National and state quality award programs. It specifies the processes that contribute to the implementation of TQM in an organization.

#### **1.2.1(b) Quality Management System (QMS)**

'*Quality Management*' means the management function that determines and implements the quality policy. '*Quality System*' means the organizational structure, responsibilities, procedures, processes, and resources for implementing quality management (Stimson, 1998:10). Such a system should integrate interconnected

business process that collectively causes the supply of conforming product or service (Hoyle, 1997:339). Hence, QMS is a process approach to ensure the quality of products and services (Willborn, 1989:3) and to warrant that quality is not compromised for the benefit of the customer.

In more precise manner, Department of Trade and Industry, United Kingdom (UKDTI) define QMS as '*a set of coordinated activities to continually improve the effectiveness and efficiency of its performance*'. Thus, QMS represents the processes, which will result in the production of quality products and services (UKDTI, n.d). In this relation, '*process approach*' is an application of a system of processes within an organization, with the interactions among the employee and the managerial (Roslina Ab. Wahid, 2006:87). In short, quality management is concerned with the economics, human behavior, and organizational issues of a firm, and its competition in the marketplace (Willborn & Cheng, 1994:17).

Thus, QMS provides consistency and satisfaction in terms of methods, materials, equipment, at every transaction interface. The interaction with all activities of the organization begins with the identification of customer requirements and ending with their satisfaction (UKDTI, n.d). The steps for developing an effective quality management system are first to establish a quality assurance system, and then to seek further quality improvement. In this connection, quality management is a driver, and the quality system is a vehicle. With effective TQM, the total quality system gradually emerges within the organization, and quality assurances constitute a fully integrated subsystem (Willborn & Cheng, 1994:62). These explanations refer to the Figure 1.1, as shown:-

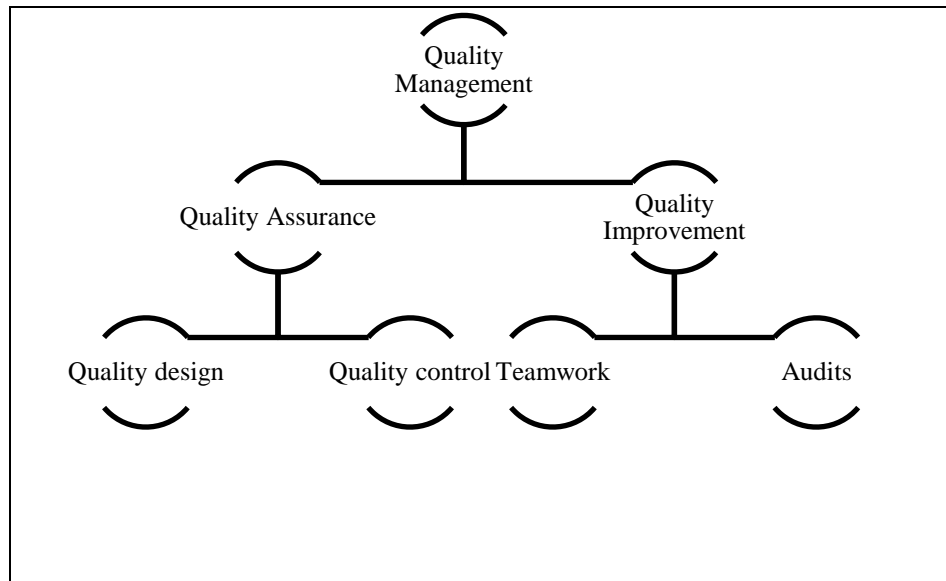


Figure 1.1: Quality Management Structure  
Source: Willborn and Cheng (1994:62)

Process management in QMS is a central concept connotes a set of practices that combine methodological approaches to human resource management. These are implemented to manage and improve processes that produce products and services (Anderson, Rungtusanatham & Schroeder, 1994). As what Deming (1993) stated, *‘we need better and better quality with less and less variation’*. He demonstrates his belief that continuous quality-improvement efforts depend on the engagement and conduct of process management practices aimed at managing and continually reducing variation.

The reduction in process variation leads to benefits such as increasing output uniformity, continual reduction of rework and mistakes, continual reduction of waste of staffing, machine time, and materials (Deming, 1982). In short, QMS is planned decisions and activities that aim to attain the desired quality of products and services. In many situations, it is also called a *‘quality system’*, *‘quality control system’*, or *‘quality assurance system’* (Willborn, 1989:194).

QMS and the associated standard put a considerable emphasis on process and documentation (CERCO Working Group on Quality, 2000), (UKDTI, 2005). In this perception, a fully documented QMS will ensure two necessary requirements are met. The first is customers' requirement in which they are having confidence in the ability of the organization to deliver desired product and service consistently and meeting their needs and expectation. The second is organization's requirements to utilize optimum cost with efficient use of available resources of materials, human, technology and information (UKDTI, 2005). The process and documentation of QMS supposed to become an enabler to the organization to achieve the goals and objectives set out in its policy and strategy (UKDTI, 2005). It also provides consistency and satisfaction in terms internal organizational interactions. Therefore in the conventional management system and worldwide standard, QMS is crucial in setting the standard procedures to implement and maintain quality.

### **1.2.2 Quality Standard and Quality Assurance Application**

A standard is a technical document that specifies characteristics of process, products, or systems which is precise and authoritative to ensure that a product is fit for which it is intended. A standard sets out requirements while guidelines explain ways to meet these needs. Standards and guidelines have been prepared by well-structured and controlled decision processes under the strict supervision of standards institutes and the respective public laws (Willborn & Cheng, 1994:71-72). The process of formulating, issuing and implementing standards is drawn based on the consolidated result of science, technology, and experience that is approved by a body recognized on a national, regional or international level.

In the meantime, a specification is a detailed statement of a product, material or process, indicating the procedures for checking compliance with the requirements (Oakland & Dale, 1991:19-21). In relating quality and specification to the standard, Willborn and Cheng (1994:4-5) suggest that quality should be defined and understood as a technical specification for the standards to be established. Hence, standardization is a discipline produced by the most economical manufacturing processes, of the appropriate quality, to provide reliable and acceptable performance at minimum cost (Oakland & Dale, 1991:72). Standards are both resources and marketing tools especially in this globalization climate (Willborn & Cheng, 1994:71-72). The aims and result of standardization are depicted in Figure 1.2.

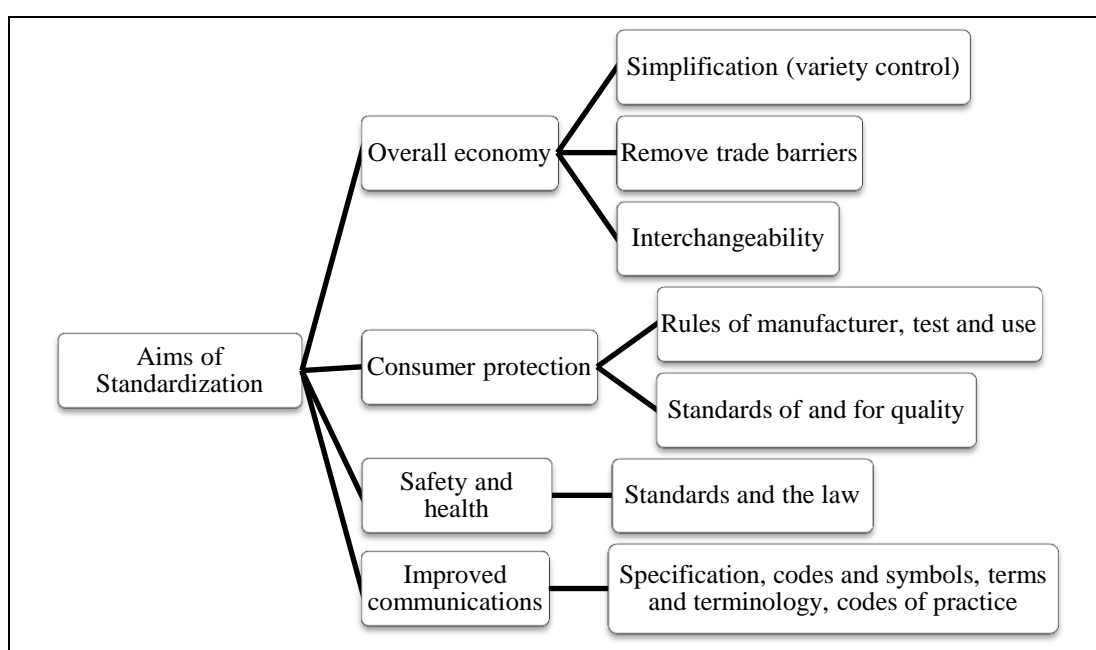


Figure 1.2: Aims and Result of Standardization  
Source: PD 3542:1979, Oakland and Dale (1991:72)

Figure 1.2 shows that the aims of standardization are for the benefit of the overall economy, consumer protection, safety and health and improved communications. The standardization outcomes simplify work process, remove trade barriers, facilitate



interchangeability, create rules for manufacturers, create standards for quality and law, prepare the specification, codes, symbols, terms, and terminologies.

On the other hand, quality assurance system embraces all procedures and workmanship toward the attainment of quality and customer satisfaction. The background of quality assurance is the customer-supplier relationship (Stebbing, 1992:6). The ultimate purpose of any quality assurance scheme is to ensure complete satisfaction provided by the supplier and to establish confidence that the quality function is being performed adequately (Oakland & Dale, 1991:3). The technical committee for quality assurance of the ISO (TC176) recognized that quality assurance system also could be known as a quality system. In this sense, the quality system comprises the organizational structure, responsibilities, procedures, process, and resources for implementing quality management (Willborn & Cheng, 1994:69).

In this quality system, factors such as price, cost, and severity of defects, planning and controlling quality influence the system design (Willborn, 1989:3:194). Hence, quality assurance is to create and maintain customer's confidence that is the planning and controlling of quality of products, services, and related production processes (Willborn & Cheng, 1994:61). While quality conformance is the extent to which the product or service conforms to the specified requirements (Hoyle, 1997:338), (Oakland & Dale, 1991:2). As industries mature, either in America and Japan, they adopt standardization that extends to language, products and processes for the mutual benefit of customers and suppliers (Juran, 1989:106).

Following World War Two, the International Organization for Standardization (ISO) was established in Switzerland in 1946, by European nations. The intention is to form a single economic force to resume responsibility for overseeing the standards agreements of various member nations (Stimson, 1998:5). In 1950s and 1960s, the first standards for quality assurance systems appeared in the United States, Canada, and the United Kingdom. Moreover, in 1987, the first international ISO 9000 standards were published. The historical development has now arrived at the stage of global quality management which witnessed the modern quality management system applied in today's organization (Willborn & Cheng, 1994:21-22). This progress is shown in Figure 1.3.

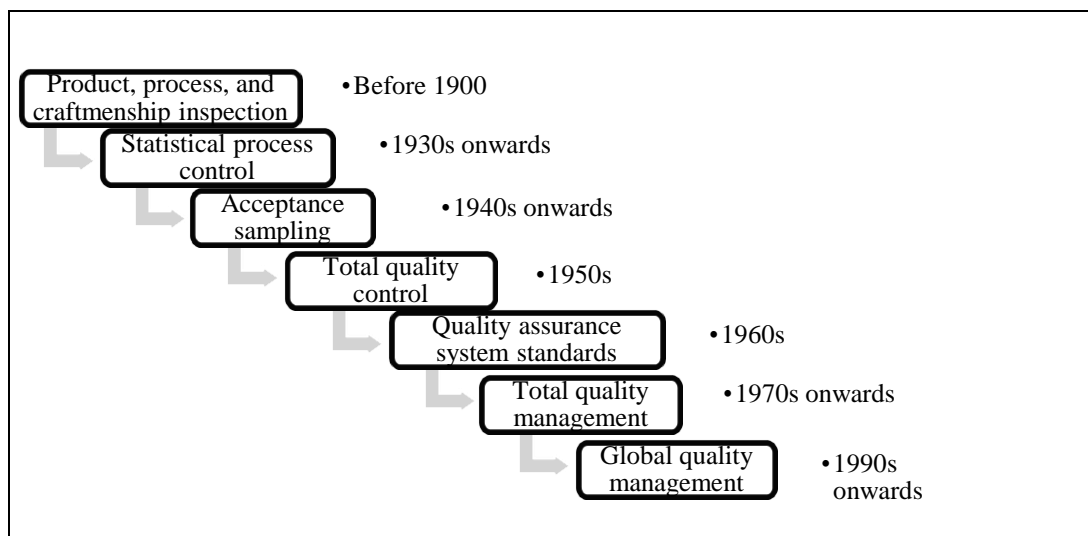


Figure 1.3: History of Quality Management  
Source: Willborn and Cheng (1994:21)

Figure 1.3 shows schematically that modern quality management includes all the historical elements. For instance, there are still inspectors for verifying and controlling quality and work quality remains the basis for determining the overall quality of products or services. Today's quality management embraces quality assurance systems as one of the several elements. From 1980s onwards, different names have been used to mark the companies' quality efforts. The names as such

TQM, companywide quality management, companywide quality control, TQC, and total quality improvement signify an approach to the quality management (Willborn & Cheng, 1994:22).

### **1.2.3 How QMS Intertwined With ISO Standard**

A system of accepted standards is essential for the widespread marketability, efficient production, and convenient use of products from complex mechanical systems like automobiles, to purely intellectual products such as computer programs. The more standard the standard is; the more widely accepted and maximum in utilization the product is. Widely accepted standards lead to more efficient use of resources for producers, more equitable international competition, and lower cost to consumers. Standards are importance as a means of communication in trade, achieving economies in production, regularizing procedures, specifying performance, and preventing the reoccurrence of abnormalities in processes (Oakland & Dale, 1991:21-22).

In relation to this existence of standardization, it indirectly plays an integral role in QMS development. While standard and consumers benchmarked should be intertwined to develop Quality Management System ISO 9000. The standards provide guidance and tools for companies and organizations in ensuring that products and services are in line with customer's requirements, and that quality is improved. Deming words quantified that standardization contributed a significant benchmark towards quality and quality system nationally and globally (Deming, 1982:345);

*“A high degree of standardization has made life simpler for us in ways so basic and so obvious that we do not even realize they exist. It has given us the free national market which we take so casually. To you as end man, the American consumer, it has given lower prices and better quality, more safety, greater availability, prompter*

*exchange and repair service, and all the other material advantages of mass production. Is this something to be taken for granted?”*

ISO is a worldwide federation of national standards bodies. In this relation, Oakland and Dale (1991:21) claimed that all standards are related to quality since the goods and services produce are to satisfy given needs. Currently, there are a wide range of ISO 9000 quality management standards as such:

- i) ISO 9000:2005 - covers the basic concepts and language.
- ii) ISO 9001:2008 - sets out the requirements of a quality management system.
- iii) ISO 9004:2009 - focuses on how to make a quality management system more efficient and effective.
- iv) ISO 9011:2011 - sets out guidance on internal and external audits of quality management systems.

The ISO standards have been developed with the international participation of more than 163 countries. Besides, the quality management worldwide implementation to date is ISO 9001:2008. Currently ISO 9001:2008 stand as the most popular standard and is used by more than one million organizations in 178 countries and economies (ISO Central Secretariat, 2012). The standard has developed it reputation on quality credentials as such, ISO 9001 is requested in many public and private sector application. In short QMS constitutes the foundation for implementing continuous improvement, translated and documented the requirements of ISO 9001 into policies and procedures to institute a new integrated quality management system.

#### **1.2.4 ISO 9001: Malaysian Application**

Standard ISO 9001 is compliant for quality assurance in process, design, development, production, installation, and servicing. It is often viewed as the lowest common denominator of an efficient quality system. Its eight key management principles are (Srdoc, Sluga & Bratko, 2005):-

- i) Customer based organization;
- ii) Leadership;
- iii) Involvement of people;
- iv) Process approach<sup>5</sup>;
- v) System approach to management;
- vi) Continual improvement;
- vii) Factual approach to decision making;
- viii) Mutual beneficial supplier relationship.

Willborn and Cheng (1994:72-73) acknowledged that ISO's mission is to develop worldwide standards and guidelines to improve international communication and collaboration and to promote the smooth and equitable growth of international trade. Though, obtaining ISO 9001 quality standard certification requires a major investment of time, effort, and money (Stimson, 1998:11). In relation to this, MS ISO 9001 has been introduced in Malaysia since 1996 as an administrative reform by the government towards a new paradigm of Public Administration in Malaysia (Halim & Manogran, 1999).

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<sup>5</sup> A process is a systematic series of actions directed to the achievement of a goal (Juran, 1992:219).

Hence, MS ISO 9001 as a standard specifies many different aspects and integrates those to create a system. For example, identification of customer's needs, the design of products or services, control of purchases from outside, process control, storage and delivery, process and organization-wide activities, are the role of management. For the companies to implement MS ISO 9001, they have to understand and apply the principles and core elements of QMS throughout their organizations. This application can be seen through the principles of 20 elements as illustrated in Figure 1.4. These 20 elements are considered as core principles in MS ISO application<sup>6</sup>. Its pre-requisite should be well understood prior to the implementation (Halim & Manogran, 1999:21).

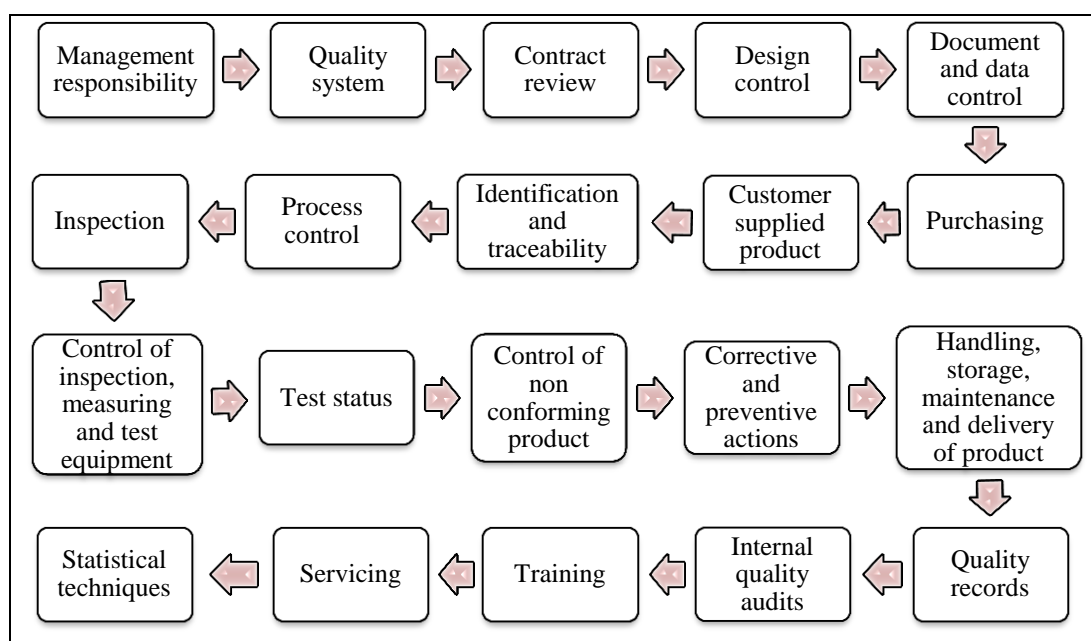


Figure 1.4: 20 Elements of MS ISO 9001  
Source: Halim and Manogran (1999:35)

The twenty elements as depicted in Figure 1.4, integrates the entire QMS of an organization, encompassing the process clauses which identify customer requirements through to production, inspection and delivery of the product or

<sup>6</sup> The sources of these definitions and principles are from MS ISO 8402:1991, Quality-vocabulary and the series of MS ISO 9000 Standards (Halim & Manogran, 1999:21).

service. It also included the organization-wide clauses that include management responsibility, record keeping, internal quality audit and training (Halim & Manogran, 1999:34). Hence, it is the organization task on how to interpret those 20 requirements and operationalizing them into policies, procedures and work instructions.

#### **1.2.5 Origin and Development of ICQMS in Malaysia: MS 1900:2005 and MS 1900:2014**

Islamic Compliance Quality Management System, MS 1900:2005/MS 1900:2014 is a standard quality management that is used in measuring Islamic quality in an organizational operation, management, and production. This is the first quality management system standards in the world with requirements based on Islamic perspectives. ICQMS had been formulated to become as a benchmark in practicing Islamic management among the administrators especially of the Islamic organization. Standard MS 1900:2005 Quality Management Systems - requirements from Islamic Perspective and MS 1900:2014 *Shari'ah*-based quality management systems – Requirements with guidance (First Revision) in reference to ISO 9001, has been developed by adding the Islamic values into it (SIRIM QAS, 2012). This standard specifies the requirements for an Islamic-compliant quality management system in Malaysia.

The Islamic standard is to ensure that organizations are managed in accordance with the collective ethics of truth, honesty, justice, sincere, timeliness, and discipline. Accordingly, the *halāl* and non-*halāl* aspects of all processes necessary are identified, communicated to every personnel in the organization and implemented

(New Straits Times, November 20, 2010). SIRIM QAS<sup>7</sup> International Sdn. Bhd. establishes the *Shari'ah* Advisory Council (SAC) to supervise the MS 1900 certification scheme and in ensuring the conferring of certification to MS 1900 is done in accordance with the *Shari'ah* requirements. This MS 1900:2005 standard was established in 2005 under the authority of Standards Malaysia (SM) with the collaboration of Universiti Islam Antarabangsa Malaysia (UIAM), Institut Kefahaman Islam Malaysia (IKIM), SIRIM Bhd, Institut Tadbiran Awam Negara (INTAN), Persatuan Pengguna Islam Malaysia (PPIM), Institut Integriti Malaysia (IIM) and Jabatan Kemajuan Agama Islam Malaysia (JAKIM) based on QMS ISO 9001:2000 (ISO MS 1900:2005, 2005). Nevertheless, the latest version of this Islamic standard has been published in year 2014 and is known as MS 1900:2014 *Shari'ah*-based quality management systems – Requirements with guidance (First revision). With this version, Malaysian standard cancels and replaces MS 1900:2005 QMS – Requirements from Islamic perspectives that is in compliant previously, with the current MS 1900:2014. However, in reflecting the evolvement of Islamic-compliant and its implementation especially in Malaysian setting, the researcher mention both the original version and its first revision for the discussions and analysis of ICQMS application throughout this thesis.

MS 1900 is issued and supervised by SIRIM QAS International, and its first version has been instigated based on standard of ISO 9001:2008 QMS. In this establishment, MS 1900:2005/MS 1900:2014 has been inoculated with value added elements of Islamic perspective compliant. This includes the aspect of the process of *halāl* products, its delivery system, applications ethics and Islamic practical virtues in a

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<sup>7</sup> The acronym of SIRIM means the Standards & Industrial Research Institute of Malaysia. QAS means Quality Assurance System.



workplace (Wordpress.com, 2008). SIRIM QAS International corporate support services department general manager, Haliza Ibrahim (New Straits Times, November 20, 2010) mentioned that the universal values formed the core of *Shari'ah* requirement.

It provides organizations with the option of implementing a management system that is aligned with *Shari'ah* philosophy, and the moral aspects of the business transactions were emphasized and taken into consideration (Wordpress.com., 2008). It likewise safeguards that the *halāl* and non-*halāl* aspects of all processes are identified, communicated, and implemented. With an Islamic standard application, the expectation is for a value-based management system that incorporated *Shari'ah* requirements in its quality management practices (Wordpress.com, 2008). Incoherent with the ISO 9001 standard, it helps the organization to enhance the level of effectiveness and efficiency needed for producing products and delivering services. Organizations that are involved in activities prohibited by *Islām*, such as liquor production or trading and gambling are not eligible to be certified under MS 1900. Three main Islamic principles within the implementation of ICQMS are ‘*aqīdah*’, the belief system; ‘*akhlāq*’, the behavioral traits; and ‘*fiqh*’, which refers to interaction with other beings.

MS 1900 mainly looks at the ‘*fiqh*’ function, and the values applied, for example, the organization should do not mislead anyone or any corporation. The customer service requirement should also be fulfilled to make sure it is complying with the *Shari'ah* requirement (New Straits Times, November 20, 2010). In this relation, Nik Mustapha Nik Hassan (1998:44) affirmed that *Islām* prescribes the values of truth, justice, and

brotherhood, derived from divine revelation. Hence, those policies and structures of ICQMS should be adjusted accordingly to balance the socio-economic situations within the spirit of *Shari'ah* law.

#### **1.2.5(a) The Role of Standard Malaysia**

Standards Malaysia was established on August 28th, 1996 and is governed by Malaysia Act 1996 (Act 549), under the Ministry of Science, Technology and Innovation (MOSTI) (Standards Malaysia, 2012a). The Department of Standards Malaysia has the responsibility to supervise the development of Malaysian Standards (MS) and accreditation recognized as an instrument to boost product competitiveness and services by the industries in Malaysia at par comparing to the international market. For the past eighteen years, Standards Malaysia had produced more than 6300 Malaysian standards of various fields to companies all over Malaysia. The flow of development process of ISO MS is depicted in Figure 1.5. This including the development process of MS 1900:2005/MS 1900:2014 which have to undergo the same procedures. Malaysian Standard development is a transparent and consensus-based process, relying on the expertise of the standard development committee members to produce a Malaysian Standard that is practical, timely and relevant (Jabatan Standard Malaysia, 2014). Figure 1.5 exhibits that the steps of development involving three primary institutions namely SIRIM Berhad, Standards Malaysia and MOSTI shows as follows:-